

LAOS

Communists

I. Pathet Lao attack^A on 5 December ~~on~~ government forces in northern Laos province of Sam Neua seems to have involved about 1,000 rebel troops.

A. Laotian Defense Minister, Prince Souvanna Phouma, fears it may be start of large-scale Pathet offensive, which he has expected sometime prior to the 25 December elections called for by Geneva accords.

B. However, US Embassy Vientiane reports that information on fighting is still too fragmentary to determine whether serious offensive really in prospect.

1. Attack may prove to be another in long series of localized incidents.

II. Laotian government, however, could use attack as excuse for offensive of its own,

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A. Defense Minister is known to favor strong military response to any Pathet Lao action.

III. Should counter-action by government be successful enough to endanger Pathet position, Viet Minh would probably intervene.

A. Hanoi Radio on 5 December charged Royal Government had initiated "violent attacks."

BERLIN SITUATION

I. East German capabilities for isolating West Berlin, without Soviet assistance, have significantly increased during past six years (since Soviet Berlin blockade, June '48 to May '49).

A. Besides East German army (KVP)--GDR now has both a border police organization (HDG-30,000) and an internal security force (10,000).

Border Police
1. Some 5,000 HDG ~~troops~~ ^{troops} now stationed along Berlin borders (small, lightly equipped, mobile units).

2. 4,000 of internal security troops actually stationed within East Berlin.

B. These two forces, particularly if augmented by 5-6,000 KVP ^{East German} troops (including mechanized units) within 25 miles of Berlin, could isolate West Berlin against non-military attempts to supply city by

II. British stand has brought sharp reaction in some West German papers, which have charged that it was a mistake, and the first step in recognition of the GDR.

A. One paper, a ~~Tabloid~~, remarked that "British have extended a finger to the East German regime, as if not knowing that the whole hand would be taken.

B. Bonn government yesterday, however, announced that it had been consulted by the British before the UK position was made public.

1. Bonn's statement was reserved and carried no immediate reflection of either disapproval or agreement.

D. However, no significant reinforcement of either Soviet or East German forces around Berlin in recent months.

III. Recent increases in GDR pressure against Western position on Berlin, aimed at achievement recognition East German sovereignty, include threats to elevated system, canals, highways.

A. On 2 Dec, East Germans claimed extension jurisdiction over GDR-operated elevated railway system in Berlin, to include tracks and stations in West Berlin.

1. Probably no immediate intention, however, of severing service between East and West Berlin.

B. East Germans also demanding West Germany enter "ministerial level" discussions on barge traffic to Berlin.

1. Barges may be interfered with, and possibly stopped, at end of year

C. On 5 Dec, East Germans announced that compulsory East German insurance would be required after 1 Jan '56 for all Western vehicles driven in East Germany.

1. Regulation will probably include East Berlin.
2. On basis "road-toll" precedent, East Germany could set insurance fees at exorbitant figure.

D. Finally, recent unconfirmed reports suggest coming East German attempt to charge tolls for Western aircraft's use of air corridors in Berlin.

1. These "air-toll" reports probably part of war of nerves.

IV. While likely that GDR will be quick to seize additional opportunities to harass the Western position in Berlin, as part of "sovereignty" campaign, US Army officials in ^{GERMANY} do not believe Communists contemplate overt use of force against West Berlin at present

FRENCH ELECTIONS

- I. Prospects for outcome 2 Jan elections still unclear, since party alliances not yet announced (must be on record by 10 Dec).
 - A. Electoral law permits parties to "affiliate" (i.e., have votes cast for all of them counted as a single unit).
 - B. Any single-party slate or "affiliation" getting majority wins all seats in its district.
 1. If no majority, seats are allotted by one or another complex system of proportional representation.
 2. Virtually impossible for any single-party slate to win majority (it happened in only one of France's 95 districts in '51 election).

3. In '51, "affiliated" lists won majority in 38 districts; in 56 others, seats were allotted by proportional representation.

II. 28 different French parties already reported entering candidates for Jan race on "national" basis (i.e., in more than 30 districts), which is prerequisite for "affiliation."

- A. Number includes representatives of Poujade's "anti-tax" movement.
- B. Two different groups of Radical Socialists reported, in anticipation party split over Mendes-France feud with Faure.
- C. Socialist National Council on 6 Dec passed resolution excluding "affiliation" with Communists, despite fact that over one third of 3,000 delegates favored such alliance.
- D. Mendes-France will try to line-up Socialist candidates on basis Socialist resolution giving his campaign tacit approval.

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E. Although PCF may improve its position

in National Assembly, Communist participation in French government formed after Jan elections is most improbable.

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OPINION ON FRENCH ELECTIONS

I. An American observer in Paris long interested in French politics expects:

1. Substantial victory for gov't coalition, short of assuring real stability;
2. Mendes-France will continue denounce "trickery" of Jan elections and non-representative nature of new assembly;
3. This will further discredit parliamentary institutions and threaten governmental stability;
4. Battle to "save the republic" from the right increases long-term threat of popular front including Communists.

BRITISH STAND ON GERMAN BARGE LICENCING

- I. On question of East German authority to deal with barge license issue, UK has taken position that the East Germans could handle the licensing of barges of West Germany transiting East German territory to Berlin but that these "administrative arrangements" could not be regarded as affecting "in any way" the obligations assumed by the Soviet Union, the United States, France and Britain under the Paris Agreement of June 1949.
 - A. This agreement insures the normal functioning of water transport in Germany.
 - B. This action turns over to the East and West Germans the joint supervision of canal traffic across the East-West German boundary provided for originally in a British-Soviet agreement in 1946.

C. East German capabilities to interfere with an air supply operation extremely limited, however.

1. GDR air arm (VDA) possesses only 105 planes (conventional trainers).

II. Thus, any Communist attempt to halt either air-lift or Militarily-supported ground supply operation to Berlin would almost certainly require active participation of Soviet forces.

A. 37,000 Soviet ground troops in immediate vicinity Berlin include three line divisions with supporting artillery units--ample to blockade or completely overrun West Berlin.

B. Total Allied strength in West Berlin is about 6,000, of which 3,200 are US.

C. USSR has 20 jet fighter regiments in East Germany--738 aircraft (of which at least 30 are all-weather fighters)--a